

## Message Text

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PAGE 01 MEXICO 03254 151911Z

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ACTION XMB-04

INFO OCT-01 ARA-06 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 TRSE-00 OPIC-03 SP-02 CIEP-01

LAB-04 SIL-01 OMB-01 /045 W  
----- 020063

R 151754Z APR 75

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 7216

LIMITED OFFICIAL USE MEXICO 3254

E.O. 11652: N/A

TAGS: EFIN, MX

SUBJECT: MEXICANA DE PAPEL PERIODICO S.A.

REF: STATE 076805

1. TOTAL PRODUCTION OF NEWSPRINT IN MEXICO IN 1973 (LATEST AVAILABLE) WAS 24,000 TONS. THIS WAS PRODUCED PRINCIPALLY AT A SMALL GOM-OWNED PLANT AT TUXTEPEC, OAXACA, WITH TOTAL CAPACITY OF 45,000 TONS. TOTAL NEWSPRINT DEMAND IS NOW 250,000 ANNUALLY. NACIONAL FINANCIERA ESTIMATES ARE THAT 280,000 TONS WILL BE NEEDED BY 1979, AND 600,000 TONS BY 1988. A KEY INDUSTRY SOURCE NOTES THAT LITTLE NEWSPRINT IS IMPORTED INTO MEXICO FROM THE U.S. VIRTUALLY ALL IMPORTED NEWSPRINT COMES FROM CANADA. U.S. SOURCES (LUFKIN) HAVE REPORTEDLY NOTED THAT THE MEXICAN MARKET IS NOT CONSIDERED PARTICULARLY GOOD, DUE TO LOW-PROFIT CONTRACTS.

2. AN EMBASSY SOURCE NOTED THAT BELOIT SALES MANAGER RUDY KUTTER REPORTED APRIL 11 THAT BELOIT REPRESENTATIVES IN HELSINKI HAVE LEARNED THAT THE GOF HAS APPROVED CREDIT OF APPROXIMATELY \$30 MILLION TO GOM FOR "FORESTRY, PAPER AND MINING" USES. HE (KUTTER) FEARS THIS MAY BE USED BY GOM TO PURCHASE  
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PAGE 02 MEXICO 03254 151911Z

A PAPER MACHINE FOR MEXICANA DE PAPEL PERIODICO S.A.

IN FINLAND. MEXICAN SOURCE SEES CREDIT AS MARKET  
PENETRATION DEVICE.

3. APROPOS OF POSSIBLE MEXICAN AID TO CUBA IN THIS  
FIELD, RAISED BY THE EMBASSY IN ITS PREVIOUS TELEGRAM  
THIS SUBJECT, AN EMBASSY SOURCE NOTED THAT AN EXECUTIVE  
OF THE FINNISH METAL COMPANY METEX RECENTLY RETURNED  
FROM CUBA AND STATED THE PRESENT CUBAN DESIRE IS  
APPARENTLY RENOVATION OF TWO OBSOLETE PAPER PLANTS.  
THE GOM IS REPORTEDLY COMPELLING THE MEXICAN CONSTRUC-  
TION COMPANY BUFETE NACIONAL TO COOPERATE IN THIS.  
THE SOURCE DID NOT SEE THE MEXICANA DE PAPEL PERIODICO  
PROJECT AS ENABLING THE GOM TO SIGNIFICANTLY EXPAND ITS  
CAPACITY TO ASSIST CUBA IN SETTING UP A SIMILAR OPERA-  
TION. EMBASSY DOES NOT FORESEE ANY OBJECTION TO THE  
PROPOSAL TO ASSIST BELOIT.  
BRANDIN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BANK LOANS, INDUSTRIAL PLANTS, NEWSPRINT, PRODUCTION DATA  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 APR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975MEXICO03254  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750132-0089  
**From:** MEXICO  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750448/aaaabtda.tel  
**Line Count:** 78  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION XMB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 076805  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MorefiRH  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 12 MAY 2003  
**Review Event:**  
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**Review Referrals:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MEXICANA DE PAPEL PERIODICO S.A.  
**TAGS:** EFIN, MX, US, MEXICANA DE PAPEL PERIODICO SA, BELOIT CORP, XMB  
**To:** STATE  
**Type:** TE  
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